



NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY
WESTERN DISTRICT OF MISSOURI

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APRIL 6, 2006

FOR IMMEDIATE RELEASE

FORMER INDEPENDENCE BUSINESS OWNER PLEADS GUILTY TO \$272,000 BANK FRAUD

KANSAS CITY, Mo. – Bradley J. Schlozman, United States Attorney for the Western District of Missouri, announced that a former Independence, Mo., business owner pleaded guilty in federal court today to bank fraud.

Gary M. Croner, 46, of Independence, waived his right to a grand jury and pleaded guilty before U.S. District Judge Ortrie D. Smith this afternoon to a federal information that charges him with bank fraud.

Croner owned and operated Automotive Finance Services, Inc., 4224 S. Hocker in Independence, which arranged automobile refinancing loans through Mazuma Credit Union. **Croner** entered into a dealer agreement with Mazuma, Schlozman explained, which authorized him to solicit potential customers for automotive loans through Mazuma. From May 25 to Nov. 16, 2001, **Croner** secured automotive refinancing agreements with various individuals that he then presented to Mazuma to purchase the loans. Mazuma issued checks for payment of the outstanding loans, thereby securing Mazuma as the first lien holder on those vehicles.

When Mazuma issued the checks to Automotive Finance Services, **Croner** was supposed to use those funds to pay the outstanding loans on those vehicles. Mazuma issued 13 checks totaling \$272,524, which **Croner** instead used in the operation of his business.

These 13 individuals, believing that Mazuma was now their primary lien holder, ceased making payments to their original lenders and soon thereafter began receiving complaints for having delinquent accounts. When Mazuma was notified that **Croner** had repeatedly failed to forward the payments to pay off the prior loans in these cases, Mazuma issued another check payable directly to the original lien holding institution. These second checks were often for a greater amount because of associated late fees that were assessed in connection with the delinquent accounts. As a result, Mazuma ultimately sustained a total loss of \$277,430.

Under federal statutes, **Croner** could be subject to a sentence of up to 30 years in federal prison without parole, plus a fine up to \$1 million and an order of restitution. A sentencing hearing will be scheduled after the completion of a presentence investigation by the United States Probation Office.

This case is being prosecuted by Assistant U.S. Attorney David M. Ketchmark. It was investigated by the U.S. Secret Service.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at
www.usdoj.gov/usao/mow/index.html